

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 23, 2008
POSITION: Oppose
SPONSOR: Senator Perata

BILL NUMBER: SB 1718
AUTHOR: D. Perata

BILL SUMMARY: Public Employment: State Bargaining Unit 2

This bill would require the Department of Personnel Administration (DPA) to annually conduct a survey that would obtain specified information regarding the compensation of certain legal professionals, including attorneys employed by specified public entities and judges.

FISCAL SUMMARY

According to DPA, current resources will not permit them to absorb the additional survey and analysis workload required by this bill. DPA would need an additional appropriation of roughly \$100,000 to perform the administrative functions as a result of this bill.

Every 1 percent increase in salary for Bargaining Unit 2 (BU 2) members would cost the state \$4.6 million annually. In addition, any increase that is extended to rank and file employees in BU 2 would generally be given to the excluded employees in BU 2. Every 1 percent increase in the salaries for BU 2 excluded employees would cost the state an additional \$700,000 annually.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 8, 2008 version are listed below:

- The April 8, 2008 version of this bill required the salaries of legal professionals in BU 2 (California Attorneys, Administrative Law Judges, and Hearing Officers), be determined by a specified calculation based on the salaries of other public sector legal professionals. In the current version of this bill, the required salary survey will not be used to tie BU 2 salaries to other legal professionals.
- The DPA would be required to absorb the workload associated with this bill.
- The public entities included in the salary surveys have been amended to include the five most populous counties and cities, rather than eight, as was previously required. The salary surveys will no longer survey attorneys of the California State University, the University of California, and the Administrative Office of the Courts, but will instead survey all California administrative and State Bar judges.

COMMENTS

The Department of Finance is opposed to this bill because DPA could not absorb the additional workload associated with this bill. DPA would require an additional appropriation of approximately \$100,000. In addition, this bill could influence other BU's to seek legislation to achieve customized salary surveys, further increasing state costs. BU 2 could bargain their salary survey requests into their contract, which does not require legislation.

(Continued)

COMMENTS (continued)

This bill would require DPA to annually survey the compensation of attorneys employed by the following public entities:

- the district attorneys in the five most populous counties

Analyst/Principal (0931) K. Martone	Date	Program Budget Manager Diana Ducay	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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The annual BU 2 salary survey is required to include the pay scale, duty statements, contributions to pensions, 401k, 457, or other retirement plans, health care insurance contributions, other post-employment benefits, premiums, differentials, vacation, leave, and holiday plans available for all specified legal professionals.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0001
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0988
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0995
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0494
8380/DPA	SO	No		-- C		\$100		--	0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0494	Other Unallocated Special Funds								
0988	Various Other Unallocated NGC Funds								
0995	Reimbursements								